The Tennessee Division of Consumer Affairs

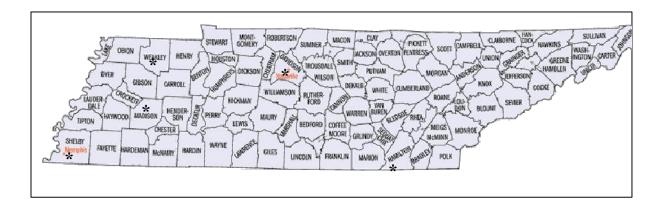
Created in 1977, the Tennessee Division of Consumer Affairs works to enforce the state Consumer Protection Act and assist consumers and business owners who have been affected by unfair business practices.

What We Do

Educate

Help consumers understand their rights and responsibilities. Through educational materials and programs, Tennessee Consumer Affairs gives you the information you need to make smart buying decisions and avoid misleading business offerings.

Consumer Affairs began in March of 2004 conducting educational consumer workshops across the state. We have done so in Nashville, Chattanooga, Memphis, Jackson, as well as the University of Tennessee at Martin. The first quarter of '05 is already planned for Memphis that will be on April 19, and the Division plans to conduct workshops in East and Northeast Tennessee after Memphis.



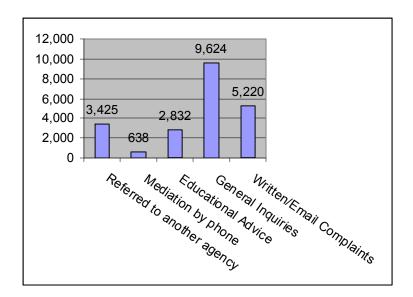
* Workshops conducted

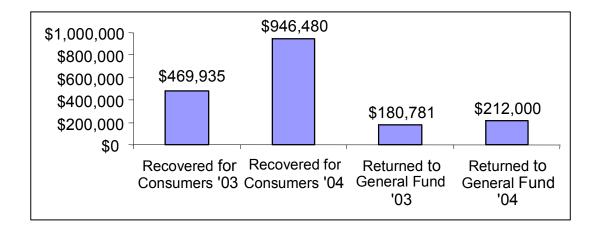
The feedback that we have gotten from citizens regarding this opportunity has been very positive. The Division has partnered with the Insurance Division, Securities Division, and the Department of Financial Institutions in order to maximize our efforts. We will also be reaching out to other departments' consumer offices in hopes that they can be part of the agenda to address consumer issues pertaining to their department as we plan future workshops.

As stated in a letter to you last year, our office notifies you when we have upcoming workshops in hopes that you can have input. We encourage you to help us serve the people of Tennessee by letting us know any consumer issues that you feel need to be addressed as it relates to your individual district.

Mediate

Resolve consumer complaints through mediation. Relying on volunteer cooperation, Tennessee Consumer Affairs coordinates mediation when all else fails. Its "Buyer Beware" list also serves as a public record of businesses that failed to respond to complaints.





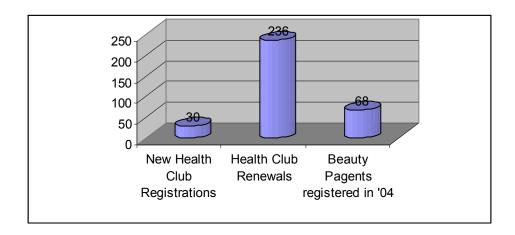
Initiate Formal Actions

Investigate and address violations of the state Consumer Protection Act. Consumer Affairs helps Tennessee consumers and businesses save millions of dollars each year by protecting against consumer and business scams. If a violation is identified, it can work with the State Attorney General's office to take legal action.

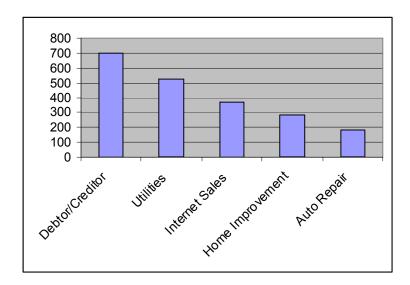
Due to the diligent efforts of our staff, consumers received \$946,480.43 in cash and merchandise. Each year the Division initiates formal actions against businesses or individuals that we believe may be in violation of the Consumer Protection Act with the assistance of the Attorney General's Office. During 2004, these formal actions resulted in payments of \$212,000 to the State General Fund.

Registration

Oversee the registration of a variety of organizations across Tennessee. The Division handles the registration of for-profit health clubs, beauty pageant operators and the registration of Bonds for credit repair companies. Health club and beauty pageant operator registrations brought in \$46,300.00 to the general fund in 2004.



Top Five Categories



Please note that the Division has taken on added responsibility as of February 1, 2005. We will now be mediating complaints for the following Regulatory Boards:

- 1. Contractors
- 2. Home Improvement
- 3. Motor Vehicle Commission

We are in the process of developing a system that will help manage these complaints and a process that hopefully will be helpful to the complainant and respondent.

FORMAL ACTIONS SETTLEMENTS AND LAWSUITS

BUSINESS OR INDIVIDUAL	DESCRIPTION
Carmina Warren, individually and d/b/a Divorce Tech	Oklahoma corporation and its non-attorney president, a Washington resident, allegedly provided legal services for Tennessee consumers, without any Tennessee attorneys on staff, in violation of UPL and consumer protection statutes. — Agreed Final Judgment — 12/2004
Edward G. D'Allesandro, Jr. d/b/a Total Body Solutions	It was alleged that D'Allesandro marketed weight loss products and dietary supplements using advertisements that were in violation of the Consumer Protection Act. – Assurance of Voluntary Compliance – 02/2004
Excel Communications	Excel allegedly charged an "E911" fee in excess of that permitted by law and also allegedly misrepresented the fee to consumers as a tax. — Assurance of Voluntary Compliance—02/2004
Ford Motor Credit	Multistate group investigated allegations that Ford Motor Credit was charging consumers who participated in the "Red Carpet Leasing" program hidden fees that were not disclosed to the consumer upon entering the lease. Consumers who sought to terminate their lease were told that the original dealer had the final paperwork. The original dealer would then add the hidden fees and collect the profit. – Consent Judgment – 08/2004
Magnetic Ideas and C. Gene Abbott	Allegations included selling magnetic mattresses and refusing to refund consumers' monies upon return of the product and/or refusing to accept returns from consumers in violation of the Consumer Protection Act. – Default Judgment – 08/2004

FORMAL ACTIONS SETTLEMENTS AND LAWSUITS

BUSINESS OR INDIVIDUAL	DESCRIPTION
McDill Columbus Corporation and John Fernandez as President of McDill Columbus Corporation, d/b/a the Lake Resort and The Lake Resort Corporation	Corporation allegedly violated non-disturbance agreement with campground membership agreements in violation of TCA §47-18-104(a). – Assurance of Voluntary Compliance – 11/2004
Nashville F.A.D.S., Inc. Nashville Dance Clubs	Nashville Dance Clubs allegedly used misleading representations such as "world champion dance instructors" to solicit business from the public. Additionally, National Dance Clubs allegedly sold students several packages at once resulting in some students having tens of thousands of dance lessons on the books. — Assurance of Voluntary Compliance — 04/2004
Rite Aide Corporation – Midstate	Rite Aid Corporation allegedly had continual business practices of selling tobacco to minors. – Assurance of Voluntary Compliance – 10/2004
Ted Russell Management, Inc. d/b/a Ted Russell Marine	Company allegedly violated the Consumer Protection Act by altering manufacturer's serial numbers, hull identification numbers, manufacturer's statements of origin, and/or misrepresenting model year on boats and trailers sold by or on behalf of Ted Russell. — Assurance of Voluntary Compliance—12/2004

FORMAL ACTIONS SETTLEMENTS AND LAWSUITS

BUSINESS OR INDIVIDUAL	DESCRIPTION
Verizon, Cingular and Sprint PCS	The agreements require the carriers to provide coverage maps to consumers, give consumers at least two weeks to terminate service contracts without incurring termination penalties, and also change the way these carriers advertise and sell their services and coverage. Other provisions of the agreement call for certain disclosures in the carriers' advertisements and through their retail, Internet and telemarketing sales channels, which are designed to provide consumers with comprehensive information about the costs and limits of their wireless service. – Assurance of Voluntary Compliance – 07/2004
Warner-Lambert Company LLC	Settlement that was part of a multistate investigation relating to the manner in which Warner marketed their drugs to doctors and pharmacies in violation of the Consumer Protection Act. – Assurance of Voluntary Compliance – 06/2004

Complaint Categories and Descriptions

Debtor/Creditor

Billing practices, credit discrimination, garnishment of wages, collection agencies, credit reporting services, credit repair, loans, loan brokers, credit cards ("gold" cards – secured, fraudulent), debt consolidation, banks, checking accounts, insufficient check charges, repossessions and applications of all federal lending, collection, reporting and billing laws.

Home Improvements

Includes the quality of work, the workmanship, quality of materials and incomplete work done to new structures or to improve, repair or change a house or structure, including roofing, sun porches, flooring, landscaping, carpeting, driveway resealing, window and siding replacement.

Utilities

Service or billing practices of water, electric, phone, gas and cable companies and regulatory questions.

Mail Order

Merchandise not received, poor quality merchandise, refusal to refund, gross misrepresentations (quality, size, functions, etc.), returns, unauthorized shipments and billings; also includes problems with television offers, infomercials and home shopping networks.

Insurance

Complaints about insurance sales, claims, lapsed coverage, cancellations, deceptive practices of agents, slow payment of claims and disputes with repair contractors.

Home Furnishings

Home furnishings and draperies; repairs, warranties and service contracts on these items only.

Auto Repair

Servicing new and used cars, body work, paint jobs, regular maintenance including dealerships, service stations, independents and chain specialty shops.

Internet On-Line Auctions

Problems with receipt and quality of items purchased through internet auctions.

Health Services and Products

Various problems with the quality of treatment from the medical profession, including eyeglasses, hearing aids, dentures, prostheses and billing disputes.

Travel and Transportation

Problems relating to conditions and services of hotels, motels and cabins, including reservation problems, false advertising and complaints against airlines.

Used Car Sales

Problems with policies, practices or techniques in selling used cars; clearing up the misconceptions that consumers have three days to return a car; explaining "as is" sales, odometer tampering, detailing (making a used car look deceptively good).

Business Opportunity

Work-at-home schemes, chain letters, pyramids, multi-level business investments, franchises, distributorships, vending machine routes; various get-rich-quick schemes.

Landlord/Tenant

Problems with rental property; repairs not made, security deposits, invasion of privacy, wrongful evictions; includes applications of Landlord/Tenant laws in Tennessee

Civil Actions

Records of private lawsuits filed under the Consumer Protection Act; may involve any of these categories.

Lemon Law

Includes questions about qualifications for lemon law status, advising manufacturer of non-conformity, pursuing information on arbitration, enforcing the law through private court action.

Business Files

Individual files on businesses are kept as the Division receives correspondence, brochures, promotional material, news clips, etc.

Books and Magazines

Problems with undelivered and overpriced books and magazines, especially those involved with special promotions and causes, usually over the telephone or sold door to door

Home Appliances

Small and large appliances, repairs, warranties and service contracts.

New Car Sales

Problems dealing with selling practices or techniques concerning the sale of a new car; questions on financing, rebates, dealer's invoice, extras, trade-ins, additional charges; explaining that consumers do not have three days to return a car.

Computers

Problems with computers, software and parts; technical problems with equipment and back-up support from companies.

Real Estate

Consumer problems with land sales, real estate and home mortgage companies (i.e., sellers' refusal to give refunds), etc.

Campgrounds and Resorts

Problems with selling techniques and promotions leading one to believe he/she has won a prize or a mini vacation; gimmicks to get consumers to attend sales presentations; also consumers told of resale programs that do not exist or maintenance fees that cannot increase when the contract says differently.

Professional Services

Problems involving attorneys, accountants and other professional services.

Advertising

Deceptive or false advertising in print or electronics media; includes coupon offers, "bait and switch" techniques, inflated claims insufficient inventory, false billing techniques (i.e., "Yellow Page" solicitation), "going out of business" sales, rain checks and return policies.

Telemarketing

Problems with non-compliance of telemarketers relating to the Do Not Call list policy and deceptive telemarketing activities.

Mobile Homes

Problems with manufactured homes; sales, construction and guarantees.

Service Contracts/Automobiles

Problems with extended warranties; includes maintenance disputes, coverage questions and problems when the company goes out of business leaving the consumer with no protection.

Promotions and Contests

Sweepstakes, contests, prize offering stating "You have won" or "have been selected to receive," contest with entry fees or purchase requirements, prizes that do not live up to their descriptions, such as "free" vacations, worthless gifts or prizes that were not in compliance with State law.

Health Clubs

For-profit health club facilities, services and memberships; sales practices, cancellation rights, contract violations and any other non-compliance with Tennessee's Health Club law.

Home Electronics

Purchase or repair involving TV's, stereos, VCR's, answering machines, video cameras and other consumer electronics.

Music Industry

Any problem within the music industry; including recording contracts, publishing houses, contests, demos, songwriters' contracts, etc.

Moving and Storage

Services performed by professional moving and/or storage companies.

Auto Leasing

Problems involving leased cars and their contracts, false claims, oral promises and misconceptions about price.

Dry Cleaning

Problems with dry cleaning facilities; including damaged or lost clothing.

Schools

Problems with trade, professional or other paid instructional services.

Personal Services

Professional services such as employment agencies, day care centers, dance studios, barbers/beauticians, cemeteries, funeral directors, modeling agencies, photography studios, church directories, towing services, beauty pageants, exterminators, etc.

Clothing, Accessories

Problems with the price or quality of clothing; advertising of garments.

900 Numbers

Any pay-per-call number (entertainment, information, contest, etc.), billing problems, questions about "blocks," unauthorized calls on the phone bill.

Office Supplies

Telemarketing of office supplies (toner, copier paper, etc.)

Miscellaneous

Complaints involving consumer product safety, photo finishing, pawn shops, log home packages, pet stores and supplies, weight-loss programs, government surplus sales, grocery stores, weights and measures, home solicitations, pager services, dating services, parcel delivery services; virtually every other product or service on the market.